

Corporate Update

Fri, 4th Nov 2016 07:00

RNS Number : 2891O
New World Oil & Gas
04 November 2016

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New World Oil and Gas plc

(the "Company")

Corporate Update

On 17 October 2016, the Company announced that an issue had arisen in connection with a transaction previously carried out by the Company which may have a material impact on its financial condition and that, as a consequence of this, the Company had been informed by Big Sofa Limited that it had decided to terminate discussions with the Company regarding a possible reverse transaction and listing on AIM.

Then, further to an announcement on 18 October 2016, on 24 October 2016 it was announced that Beaumont Cornish would cease to act as Nominated Adviser to the Company from the close of business on 24 October 2016.

Again, as previously announced, the Company's shares are due to be cancelled from trading on AIM with effect from 10 November 2016, being the date six months from suspension of trading, in accordance with the AIM Rules.

The Company has been actively investigating the issue referred to above, however, no conclusion has yet been reached. Furthermore, it would not be appropriate to go into further detail, at this stage, as this may negatively impact any resolution which would not be in the interests of shareholders. The Company has also sought to appoint a Nominated Adviser as required by the AIM Rules and to see if there was any possibility of retaining the Company's listing, however, this has not proved to be possible. The Company's shares are therefore expected to be cancelled from trading on AIM with effect from 10 November 2016.

Notwithstanding the fact that the Company will no longer be listed, going forward, the Board will be focused on both creating value within the Company and returning this value to shareholders. The Company still holds assets in the form of cash and an investment comprising a loan to Big Sofa Limited. Various options are being considered with regard to this loan and the transaction costs incurred to date which could ultimately be beneficial to the Company. Furthermore, as an unlisted company there is greater scope to reduce costs in order to conserve value.

The Board plans, in due course, to provide more details of the possible strategic direction of the Company and to seek the approval of shareholders for such a plan.

Enquiries:

Adam Reynolds

New World Oil and Gas plc

Tel. +44 (0) 7785 908 158

or

Nicholas Lee

New World Oil and Gas plc

Tel. +44 (0)20 7580 7576